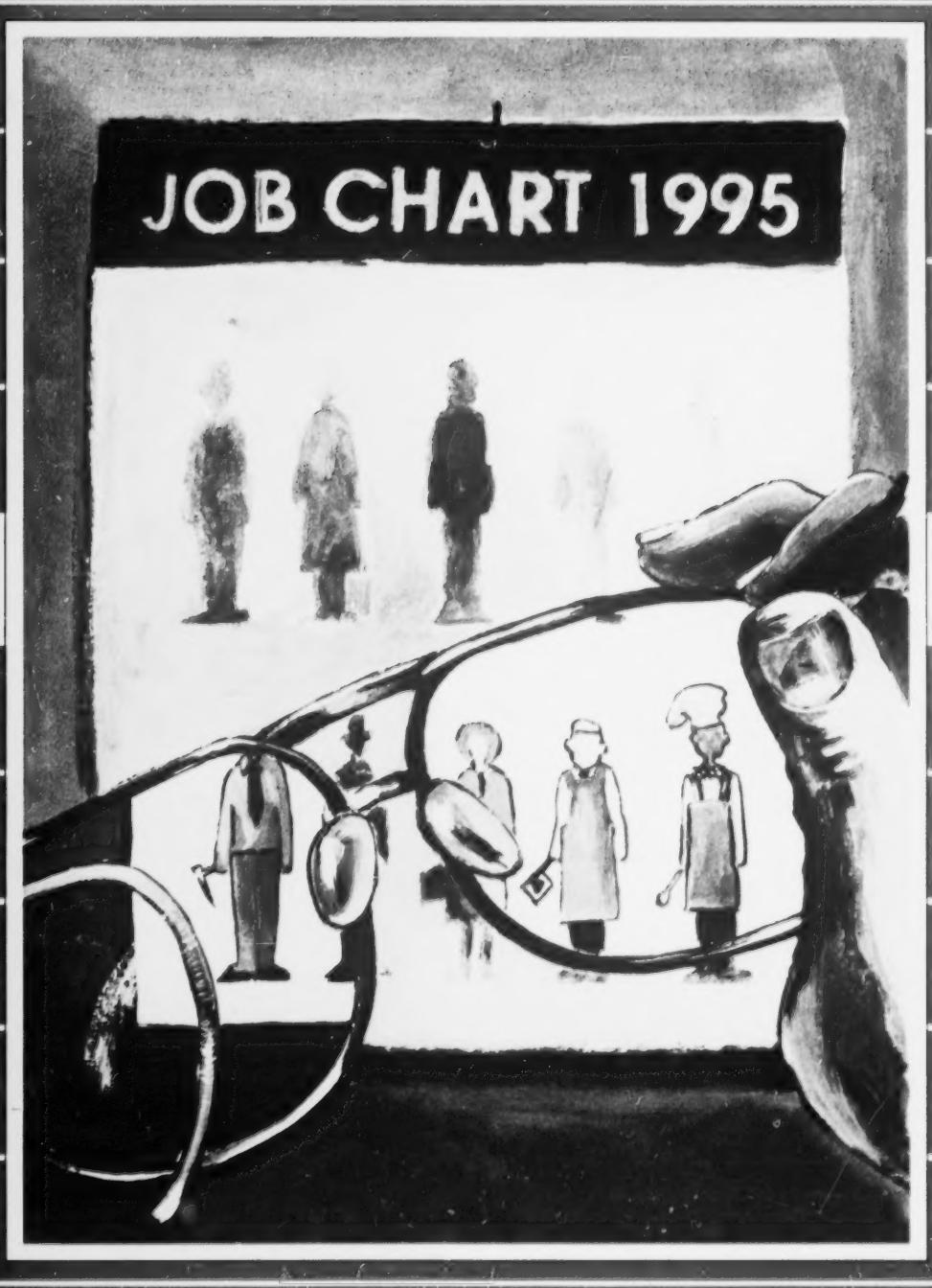
ALASKA ECONOMIC TRENDS



June 1992

INDUSTRY/OCCUPATIONAL OUTLOOK TO 1995

MARCH CONTINUED SEASONAL UPSWING

ALASKA DEPARTMENT OF LABOR
WALTER J. HICKEL, GOVERNOR

ALASKA ECONOMIC

TRENDS

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Industry/Occupation Outlook to 1995

by Brynn Keith and Dean Rasmussen

Occupational and industry information is required to minimize the mismatch between the skills Alaska workers possess and the skills required by Alaska employers. To help Alaska's workers and employers make the best match in the labor market, the Alaska Department of Labor annually publishes a comprehensive report on the subject. This article highlights some of the information in *Alaska Industry/Occupation Outlook to 1995*. The industry and occupation forecasts used in this analysis are based on 1990 data.

Alaska economic overview

Overall, a 1.8% average annual employment growth rate is expected from 1990 to 1995. Total employment is projected to grow by approximately 20,000 workers during this five-year period. Growth will be unevenly distributed throughout the economy. Some industries will experience sustained and controlled growth. In contrast, other industry sectors will see a decline in employment. The majority of employment declines should occur in 1991, followed by four years of stagnant or very slow growth.

Due to the number of industry sectors that depend upon the price of oil or the tax revenue it generates (oil industry, oil field services, construction, state and local government and trade sectors) the five-year forecast of oil prices and production is critical. With this in mind, the Alaska Department of Revenue's most current oil price forecast was used in this analysis.

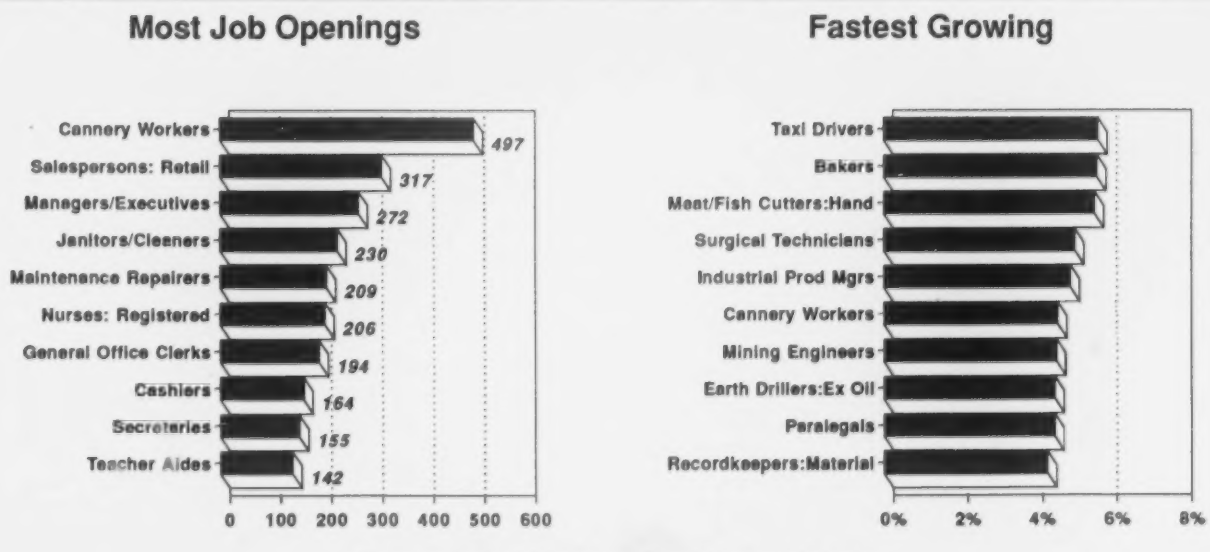
General industry trends summarized

The opening of the Greens Creek and the Red Dog mines contributed to the surge in hard rock mining employment in recent years. The future of the industry will depend on the development of additional mining ventures over the next five years. Such projects may include the Kensington mining venture north of Juneau, Fort Knox near Fairbanks, and the AJ mine in Juneau. Employment gains resulting from mining development are initially felt in industries such as construction and transportation.

Brynn Keith and Dean Rasmussen are labor economists with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. They are based in Juneau.

Figure • 1

Top 10 Alaska Occupations 1990-1995



Source: Alaska Department of Labor, Research and Analysis Section.

The decline in Prudhoe Bay production and the development of new fields are two factors affecting employment trends in Alaska's oil and gas mining industry. Recovering oil from a declining field requires more effort than tapping a new field. If oil prices jump up and stay high for an extended period, pressure to develop the Arctic National Wildlife Refuge and other potential fields will increase. Conversely, lower prices could postpone development until after the forecast period.

Employment in the oil and gas mining industry will also be affected by internal management decisions. In an effort to increase productivity and profitability, oil companies are cutting staff and overhead by contracting out key services such as technical and engineering support. Should this trend continue, employment in the oil and gas industrial sector could decline during the forecast period.

A rebound in real estate markets combined with a greater emphasis on capital projects should help offset decreases in oil and gas related construction activity. Several hundred construction workers could be employed if any of the major hard rock mining projects are developed. Building activity was up in 1991, as investors absorbed the commercial property surplus throughout the state. Construction activity is expected to remain stable for the next several years.

The health of the service-producing industries coincides with the health of the goods-producing industries. Profitability for service-producing companies corresponds to the amount of disposable income of community members. Medical services and food are necessary expenses. Companies providing luxury or nonessential services are likely to see business decline if local incomes decrease. The service sector has grown faster than the overall economy during the last several years. Through the forecast period, it is expected that service-producing industries will continue to grow steadily.

Public employment will stagnate during the forecast period, with federal and state government sectors showing anemic growth. Declining oil revenues will force efficiencies in government programs. As a result, state government spending and employment will not keep pace with Alaska's increasing population. Similarly, increases in federal government employment will be hindered by the growing budget deficit and the need to cut federal spending. Federal employment in Alaska will remain flat during the forecast period.

As in state government, declining oil revenues will put a cap on local government growth. Although some local communities are looking to other revenue sources, downsizing will be required. Fueled by increased enrollment, the education segment of local government, however, is expected to grow during the forecast period.

Occupational employment and openings to 1995

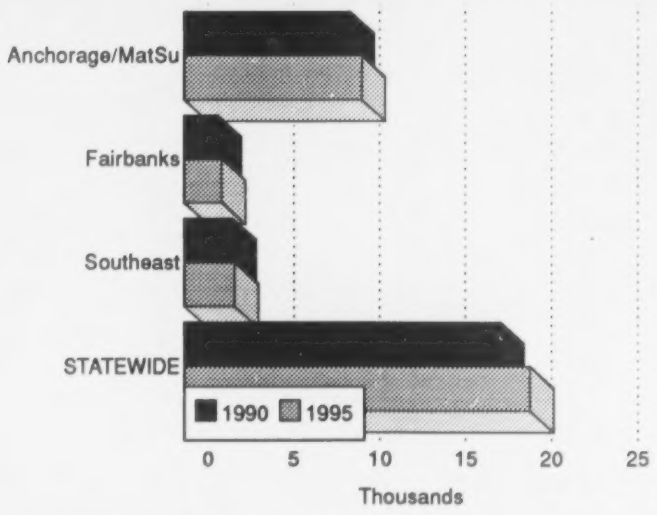
Alaska occupational employment is projected to increase at an annual average rate of 1.8%, from 250,925 to 273,089, between 1990 to 1995. Approximately 9,800 job openings are projected annually during this five-year period. Replacement needs are expected to account for 55% of the projected number of openings with industry growth accounting for the remainder. Projected annual job openings do not include jobs resulting from employee turnover (those who are promoted or leave one occupation for another).

Better than average employment opportunities are in large or fast growing occupations. Many sales, service, clerical, and craft, operator, and laborer occupations are large and provide numerous job opportunities for qualified applicants. Most job openings, however, will be a result of replacement needs rather than from industry growth. Large occupations tend to employ a larger proportion of young and part-time workers. Alaska's list of the ten largest occupations, however, includes two occupations held by established highly skilled workers: nurses and managers/executives.

Fast growing occupations are often small in size and generally require specific vocational or professional levels of education and skills. Most job openings result from industry growth rather than from replacement needs. Fast growing occupations may employ more prime-working age, full-time workers. A fast growing

Figure • 2

Officers and Managers Average Annual Job Openings 1990-1995



Source: Alaska Department of Labor, Research and Analysis Section.

occupation can generally offer higher pay, more benefits and better career advancement opportunities. A few fast growing occupations in Alaska, such as meat/fish cutters and cannery workers, are also large in size and these characteristics may not apply. Many of Alaska's fast growing occupations are found within the professional and technical, and craft, operator and laborer occupational categories.

Not all occupations will show positive employment growth. A number of agriculture and forestry occupations especially in the wood processing industry are expected to lose employment during this forecast. Growth for several other clerical and labor occupations is projected to be minimal or static.

Regional outlooks

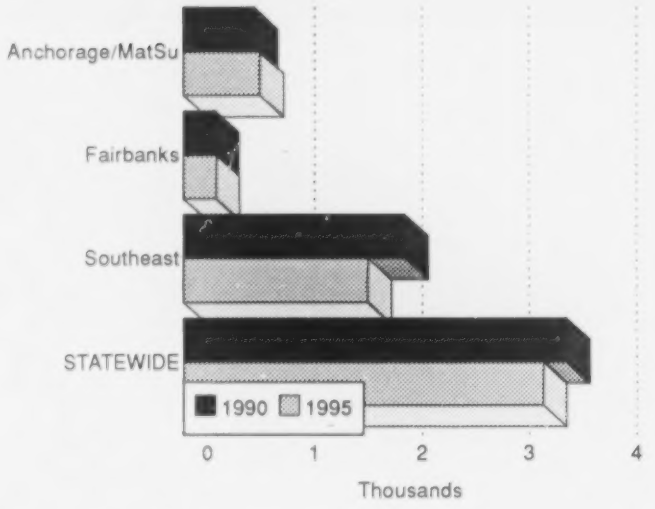
Anchorage/MatSu, the largest urban area in Alaska, includes approximately 50 percent of all occupational employment in the state. During this outlook, nearly 4,300 annual job openings are projected within this region. Most of Alaska's officers and managers, professional and technical, sales, and clerical workers work in these fields. The Anchorage/MatSu area also employs one-half of all service workers. No significant changes to this labor force distribution is expected during the next five years. Occupational employment is projected to grow at an average rate of 1.3% annually between 1990-95.

Fairbanks will remain a major service center for many interior and outlying locations. About 11.5 percent of all occupational employment can be found here. Most employment is within professional and technical, service or clerical types of occupations. This area is expected to produce approximately 1,200 jobs annually during this forecast. More than 50% of these jobs are expected to result from industry growth. Because of the influx in large retail stores, opportunity for sales related employment should be good. Overall, occupational employment is expected to grow at an average rate of 2.0% annually during this forecast.

Southeast Alaska supports approximately 15 percent of the state's occupational employment. Employment is projected to remain essentially stable during this forecast. Employment growth will be slowed by the decline in the timber cutting and wood processing industries and the slow growth in government employment. This region is projected to produce an average of 950 jobs annually. Most of these job openings will be due to replacement needs rather than industry growth. One-in-four jobs are currently in the craft, operator, laborer occupational category. Professional and technical workers, clerical workers and service workers are other major categories of occupations in this area.

Figure • 3

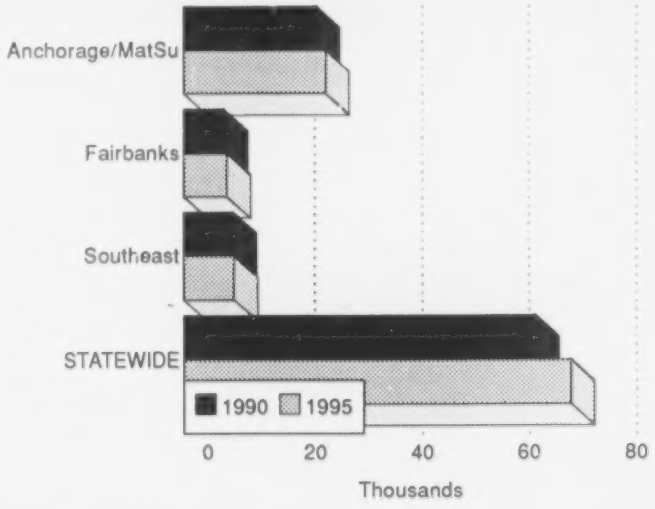
Professional & Technical Average Annual Job Openings 1990-1995



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 4

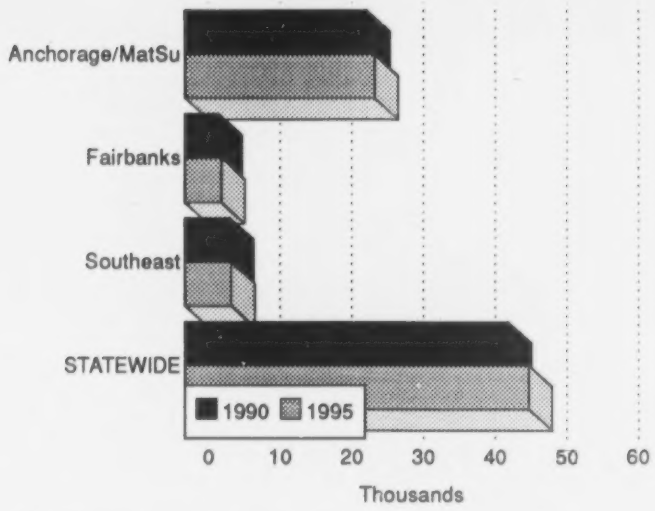
Sales Average Annual Job Openings 1990-1995



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 5

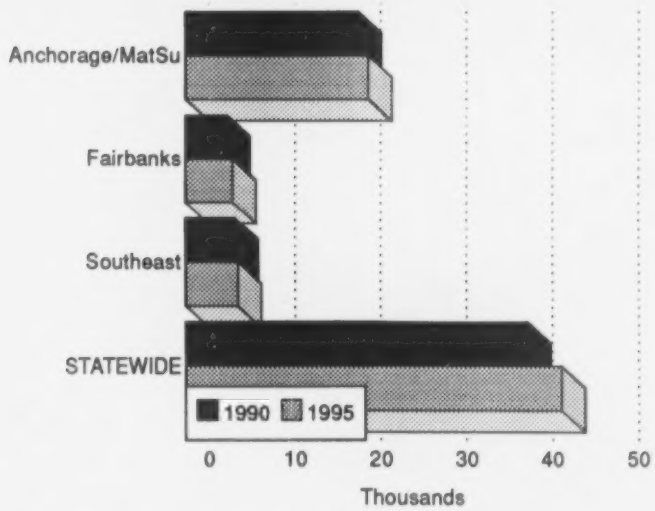
Clerical Average Annual Job Openings 1990-1995



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 6

Services Average Annual Job Openings 1990-1995



Source: Alaska Department of Labor, Research and Analysis Section.

Occupational trends

For discussion purposes, the labor market is divided into seven major occupational categories within the nonmilitary component of the economy. These projections are based on 1990 data, reflecting the economic assumptions made at the time of this forecast.

Officers and managers

Employment is expected to increase at an average rate of 1.9% annually, from 18,408 to 20,122, during this outlook. Officers and managers make up 7.3% of the total statewide occupational employment in Alaska and projections indicate that little change in this figure is expected through 1995. This occupational category is projected to produce 272 annual job openings per year during this forecast period; 111 jobs will result from actual job growth, and 161 jobs will result from replacement needs. Approximately 52 percent of officer and manager occupations are located in the Anchorage/MatSu region.

Professional and technical

In 1990, 21% of Alaska's labor force was employed in this occupational category. Employment in professional and technical occupations is projected to increase from 53,578 to 58,343 between 1990 to 1995. This is an average annual increase of 1.8%. Slightly more than 2,100 jobs are expected annually during this outlook period; 947 will result from industry growth and 1,182 through attrition. The Anchorage/MatSu area has 53% of the professional and technical occupations in the state. Fairbanks and Southeast have 13 and 14% respectively. No significant changes in these shares of employment are expected during the course of this outlook.

Sales

People in sales related occupations include approximately 10 percent of Alaska's work force. Overall, employment in sales is projected to increase by an average of 1.9% annually, from 24,835 to 27,180 jobs, during this outlook. An average of 1,042 annual job openings are projected to occur in sales of which 572 are expected to result from replacement needs and 470 are expected due to industry growth. In 1990, 64% of all sales related employment occurred in the Anchorage/MatSu area. Sales employment in Fairbanks accounted for 12% and Southeast had 11%. No significant change is expected in the statewide distribution of sales occupations during this outlook.

Clerical

Clerical occupations accounted for 18% of all employment in Alaska in 1990 and is expected to grow modestly

at an average annual rate of 1.3%, from 45,107 to 48,041, during this projection period. Clerical occupations will offer good employment opportunities for qualified job seekers. More than 80 percent of clerical employment can be found within the Anchorage/Mat-Su, Fairbanks, and Southeast areas of the state. No significant change to this distribution is expected during the next five years.

Service

Employment is expected to grow at an average annual rate of 2.0% between 1990 to 1995. This projected growth will boost employment in service occupations from 39,847 to 43,811 workers during the course of this outlook. About 50 percent of all service jobs are located in the Anchorage/MatSu area. An additional 12% of service employment occurs in the Fairbanks region, and roughly 14% can be found in Southeast. The remaining 24% of all service occupations can be found throughout the remaining areas of the state.

Agriculture and Forestry

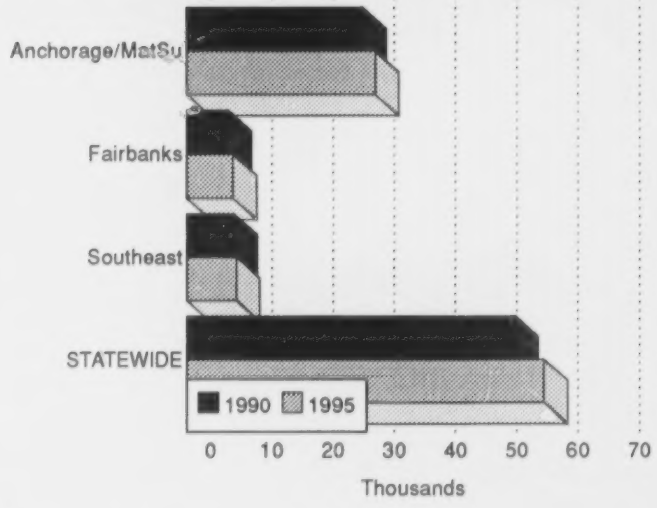
Agriculture and forestry occupations in Alaska during 1990 totaled 3,576 workers. The outlook for timber occupations in Southeast and Southcentral Alaska is not favorable. The Anchorage/MatSu area is projected to produce an average of 34 annual job openings and Fairbanks is expected to average 11 annual openings. Replacement will account for 70%; industry growth, 30% of the projected annual number of job openings in these two areas. Southeast Alaska had about 60 percent of the agriculture and forestry employment in 1990. During this outlook an average of 23 jobs are forecast to be lost annually within the region. This is an average annual 3.3% decline in employment through this projection period. As a result, southeast Alaska's share of employment in this occupational category is expected to decrease from 2,060 to 1,717 workers between 1990 to 1995.

Crafts, Operators, Laborers

Crafts, operators, laborers is the largest occupational category in the state and accounts for more than 26 percent of statewide employment. Employment is expected to increase from 65,583 to 72,239 workers during the next five years, an average annual increase of 2.0% during this projection period. Approximately 2,700 annual job openings are expected between 1990 to 1995, divided between industry growth and replacement needs. The Anchorage/MatSu, Fairbanks and Southeast areas account for nearly 63 percent of the total employment in this occupational category. The remaining 37% of these workers are employed throughout other areas in the state, across many different industries.

Figure • 7

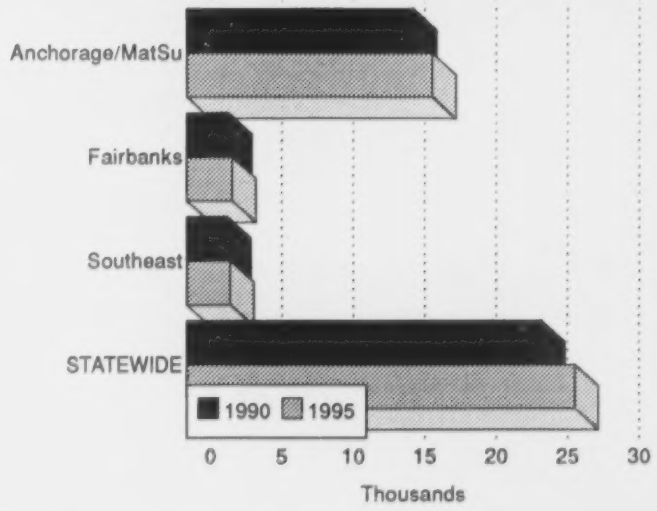
Agriculture & Forestry Average Annual Job Openings 1990-1995



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 8

Crafts, Operators & Laborers Average Annual Job Openings 1990-1995



Source: Alaska Department of Labor, Research and Analysis Section.

March Continued Seasonal Upswing

by John Boucher

John Boucher is a labor economist with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. He is based in Juneau.

Alaska's statewide unemployment rate dropped nearly a full percentage point in March to 10.1%. The falling unemployment rate indicated that the annual spring upswing in Alaska's economy is well underway. The 10.1% unemployment rate meant there were about 25,000 jobless Alaskans in March. Last March, Alaska's unemployment rate was 9.0% and there were about 22,800 unemployed Alaskans. (See Table 4.)

Nonagricultural wage and salary employment corroborated the statewide unemployment statistics. There were 2,000 more wage and salary jobs available in March than there were in February. (See Table 1.)

Job growth just underway

February and March are normally transition months in Alaska's economy. The job losses that characterize the wintertime economy have reversed themselves, but the substantial job gains are yet to come. In fact, the February to March job gain is often the smallest of the annual upswing. (See Figure 1.)

While the February to March employment gains could be categorized as sluggish, they portend a unique characteristic of Alaska's economy. The magnitude of the job gain in Alaska's economy from January to July is nothing short of phenomenal. During the last five years an average of more than 37,000 jobs were added during this six-month period. That translates into a 17.7% increase in employment from winter to summer. The number of jobs gained would be even greater if self-employed individuals were counted in these figures. The number of fishermen, for example, fluctuates dramatically from January to July. In percentage terms, no other state's employment fluctuates nearly as much as Alaska's does during a one-year period.

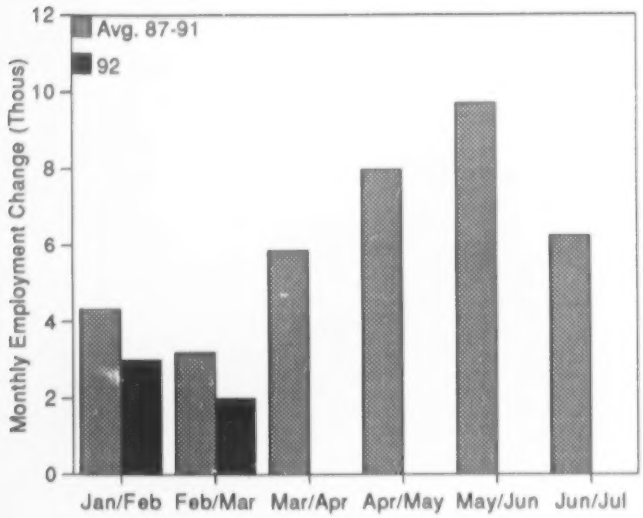
'92 growth below average—so far

Figure 1 also points out that employment growth thus far in 1992 has been below the average of the last five years. Examination of the slower job growth points out that the slowdown is attributable to nearly every major industry. Relatively speaking, the major contributors to the slower job growth are the trade, mining, and services industries. (See Figure 2.)

Normally, trade employment has kicked into the growth mode by March; but this year trade employment was still below January levels. This is partially due to the exceptionally strong retail growth posted during the winter months because of new entries into the Fairbanks market. Trade employment growth should pick up next month as preparation for the tourist season begins.

Figure • 1

Average Monthly Change In Wage & Salary Employment 1987-1991



Source: Alaska Department of Labor, Research and Analysis Section.

So far in 1992, mining employment has experienced only 20% of the average job growth it normally does between January and March. The reason is the general slowdown in oil industry employment. Hard rock mining is contributing its normal seasonal job addition; but the oil field services sector has contributed little or no job growth to the mining industry since January.

Services employment has posted about 50% of its five-year average growth in the first few months of the year. The professional services sector has been particularly sluggish this year. This category includes a broad base of firms including engineering and architectural firms, accountants and bookkeepers, and management and public relations consultants. The general slowdown in Alaska's economy is one reason for a sluggish services sector, the oil industry is another. The oil industry is a major consumer of professional services and they have made attempts to streamline where they are able.

Manufacturing leading the way

Since January, the manufacturing industry has created the majority of the additional wage and salary employment opportunities in Alaska, adding 2,400 jobs. Of those 2,400 jobs most have been in the seafood processing sector. The vast majority of those are in the Gulf Coast region and Southwestern Alaska. A strong bottomfish and

Table • 1

Nonagricultural Wage and Salary Employment by Place of Work — Alaska & Municipality of Anchorage

Alaska

	p/ 3/92	r/ 2/92	Changes from: 3/91	2/92	3/91
Total Nonag. Wage & Salary	235,500	233,500	231,400	2,000	4,100
Goods-producing	35,400	34,200	35,600	1,200	-200
Mining	10,800	10,700	11,800	100	-1,000
Construction	8,200	7,900	8,100	300	100
Manufacturing	16,400	15,600	15,700	800	700
Durable Goods	2,400	2,100	3,000	300	-600
Lumber & Wood Products	1,800	1,500	2,300	300	-500
Nondurable Goods	14,000	13,500	12,700	500	1,300
Seafood Processing	10,100	9,700	8,800	400	1,300
Pulp Mills	900	900	900	0	0
Service-producing	200,100	199,300	195,800	800	4,300
Transportation	20,900	20,700	19,900	200	1,000
Trucking & Warehousing	2,800	2,700	2,600	100	200
Water Transportation	1,300	1,100	1,200	200	100
Air Transportation	6,600	6,700	6,400	-100	200
Communications	3,500	3,500	3,400	0	100
Trade	44,400	44,400	44,000	0	400
Wholesale Trade	7,600	7,500	7,500	100	100
Retail Trade	36,800	36,900	36,500	-100	300
Gen. Merch. & Apparel	6,100	6,100	5,300	0	800
Food Stores	7,000	6,900	7,000	100	0
Eating & Drinking Places	12,200	12,300	12,200	-100	0
Finance-Ins. & Real Estate	10,600	10,500	10,400	100	200
Services & Misc.	49,900	49,700	49,800	200	100
Hotels & Lodging Places	4,500	4,300	4,400	200	100
Health Services	11,300	11,200	11,000	100	300
Government	74,300	74,000	71,700	300	2,600
Federal	18,500	18,500	17,900	0	600
State	22,600	22,300	21,800	300	800
Local	33,200	33,200	32,000	0	1,200

Municipality of Anchorage

	p/ 3/92	r/ 2/92	3/91	2/92	3/91
Total Nonag. Wage & Salary	110,300	109,800	108,900	500	1,400
Goods-producing	10,500	10,300	10,900	200	-400
Mining	3,600	3,600	4,000	0	-400
Construction	4,600	4,500	4,500	100	100
Manufacturing	2,300	2,200	2,400	100	-100
Service-producing	99,800	99,500	98,000	300	1,800
Transportation	11,400	11,500	11,000	-100	400
Communications	2,200	2,300	2,100	-100	100
Trade	24,800	24,600	25,100	200	-300
Wholesale Trade	5,700	5,600	5,600	100	100
Retail Trade	19,100	19,000	19,500	100	-400
Food Stores	3,300	3,300	3,400	0	-100
Finance-Ins. & Real Estate	6,700	6,600	6,600	100	100
Services & Misc.	28,800	28,700	28,300	100	500
Hotels & Lodging Places	2,200	2,200	2,200	0	0
Health Services	6,000	6,000	5,800	0	200
Government	28,100	28,100	27,000	0	1,100
Federal	10,600	10,600	10,300	0	300
State	8,300	8,300	8,100	0	200
Local	9,200	9,200	8,600	0	600

Notes: Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear here are definitionally different from those that appear in the Labor Force table.

Benchmark: March 1991
p/ denotes preliminary estimates
r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

Table • 2

Nonagricultural Wage and Salary Employment By Place of Work

Southeast Region

	p/ 3/92	r/ 2/92	Changes from: 3/91	2/92	3/91
Total Nonag. Wage & Salary	31,550	30,650	31,150	900	400
Goods-producing	4,850	4,450	5,000	400	-150
Mining	350	350	350	0	0
Construction	950	850	950	100	0
Manufacturing	3,550	3,250	3,700	300	-150
Durable Goods	1,600	1,350	1,950	250	-350
Lumber & Woods Products	1,550	1,250	1,900	300	-350
Nondurable Goods	1,950	1,900	1,750	50	200
Seafood Processing	850	800	700	50	150
Pulp Mills	900	900	900	0	0
Service-producing	26,700	26,200	26,150	500	550
Transportation	2,350	2,150	2,300	200	50
Trade	5,300	5,200	5,100	100	200
Wholesale Trade	550	550	550	0	0
Retail Trade	4,750	4,650	4,550	100	200
Finance-Ins. & Real Estate	1,100	1,100	1,100	0	0
Services & Misc.	5,350	5,250	5,200	100	150
Government	12,600	12,500	12,450	100	150
Federal	1,900	1,850	1,900	50	0
State	5,500	5,500	5,600	0	-100
Local	5,200	5,150	4,950	50	250

Fairbanks North Star Borough

	p/ 3/92	r/ 2/92	Changes from: 3/91	2/92	3/91
Total Nonag. Wage & Salary	27,700	27,350	26,200	350	1,500
Goods-producing	1,700	1,650	1,550	50	150
Mining	200	200	150	0	50
Construction	950	900	850	50	100
Manufacturing	550	550	550	0	0
Service-producing	26,000	25,700	24,650	300	1,350
Transportation	2,000	2,000	1,800	0	200
Trucking & Warehousing	400	450	400	-50	0
Air Transportation	500	500	450	0	50
Communication	300	300	300	0	0
Trade	6,200	6,200	5,750	0	450
Wholesale Trade	750	750	750	0	0
Retail Trade	5,450	5,450	5,000	0	450
Gen. Merch. & Apparel	950	1,000	550	-50	400
Food Stores	750	750	850	0	-100
Eating & Drinking Places	1,850	1,850	1,850	0	0
Finance-Ins. & Real Estate	1,000	1,000	900	0	100
Services & Misc.	5,900	5,850	6,000	50	-100
Government	10,900	10,650	10,200	250	700
Federal	3,050	3,050	2,950	0	100
State	4,950	4,700	4,350	250	600
Local	2,900	2,900	2,900	0	0

Anchorage-MatSu Region

	p/ 3/92	r/ 2/92	Changes from: 3/91	2/92	3/91
Total Nonag. Wage & Salary	117,750	117,500	116,500	250	1,250
Goods-producing	10,950	10,800	11,400	150	-450
Mining	3,750	3,750	4,100	0	-350
Construction	4,850	4,800	4,850	50	0
Manufacturing	2,350	2,250	2,450	100	-100
Service-producing	106,800	106,700	105,100	100	1,700
Transportation	12,150	12,300	11,750	-150	400
Trade	26,600	26,450	27,000	150	-400
Finance-Ins. & Real Estate	7,000	6,900	6,900	100	100
Service & Misc.	30,250	30,200	29,800	50	450
Government	30,800	30,850	29,650	-50	1,150
Federal	10,700	10,700	10,400	0	300
State	9,050	9,100	8,900	-50	150
Local	11,050	11,050	10,350	0	700

Interior Region

	p/ 3/92	r/ 2/92	Changes from: 3/91	2/92	3/91
Total Nonag. Wage & Salary	31,550	31,150	29,700	400	1,850
Goods-producing	1,850	1,850	1,650	0	200
Mining	350	350	250	0	100
Construction	950	950	850	0	100
Manufacturing	550	550	550	0	0
Service-producing	29,700	29,300	28,050	400	1,650
Transportation	2,250	2,250	1,950	0	300
Trade	6,550	6,550	6,050	0	500
Finance-Ins. & Real Estate	1,050	1,050	1,000	0	50
Services & Misc.	6,350	6,300	6,500	50	-150
Government	13,500	13,150	12,550	350	950
Federal	3,700	3,700	3,550	0	150
State	5,250	5,000	4,600	250	650
Local	4,550	4,450	4,400	100	150

Table • 2

Nonagricultural Wage and Salary Employment By Place of Work

Northern Region

	p/ 3/92	r/ 2/92	Changes from: 3/91	2/92	3/91
Total Nonag. Wage & Salary	14,550	14,400	14,850	150	-300
Goods-producing	5,700	5,600	6,350	100	-650
Mining	5,150	5,050	5,850	100	-700
Service-producing	8,850	8,800	8,500	50	350
Government	4,600	4,600	4,350	0	250
Federal	250	250	250	0	0
State	350	350	350	0	0
Local	4,000	4,000	3,750	0	250

Gulf Coast Region

	p/ 3/92	r/ 2/92	Changes from: 3/91	2/92	3/91
Total Nonag. Wage & Salary	23,250	22,700	22,600	550	650
Goods-producing	6,050	5,800	5,800	250	250
Mining	1,150	1,150	1,200	0	-50
Construction	800	800	800	0	0
Manufacturing	4,100	3,850	3,800	250	300
Seafood Processing	3,250	3,050	2,900	200	350
Service-producing	17,200	16,900	16,800	300	400
Transportation	2,000	1,950	1,850	50	150
Trade	3,950	3,800	3,800	150	150
Wholesale Trade	450	400	450	50	0
Retail Trade	3,500	3,400	3,350	100	150
Finance-Ins. & Real Estate	600	600	600	0	0
Services & Misc.	4,450	4,400	4,350	50	100
Government	6,200	6,150	6,200	50	0
Federal	500	450	500	50	0
State	1,800	1,800	1,800	0	0
Local	3,900	3,900	3,900	0	0

Southwest Region

	p/ 3/92	r/ 2/92	Changes from: 3/91	2/92	3/91
Total Nonag. Wage & Salary	17,400	17,350	16,400	50	1,000
Goods-producing	5,950	5,900	5,300	50	650
Seafood Processing	5,750	5,700	5,000	50	750
Service-producing	11,450	11,450	11,100	0	350
Government	6,600	6,650	6,400	-50	200
Federal	1,350	1,350	1,250	0	100
State	550	550	550	0	0
Local	4,700	4,750	4,600	-50	100

Municipality of Anchorage — Other

	p/ 3/92	r/ 2/92	Changes from: 3/91	2/92	3/91
Durable Goods	400	400	500	0	-100
Nondurable Goods	1,900	1,800	1,900	100	0
Trucking & Warehousing	1,700	1,700	1,600	0	100
Water Transportation	300	300	200	0	100
Air Transportation	4,100	4,200	4,100	-100	0
Gen.Merch.& Apparel	3,000	3,000	2,800	0	200
Eating & Drinking Places	6,900	6,800	7,200	-100	300

Notes: Prepared in part with funding from the Alaska State Employment Security Division.
Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear here are definitionally different from those that appear in the Labor Force table.

Benchmark: March 1991
p/ denotes preliminary estimates
r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

Figure • 2

January-March Change in Wage & Salary Employment

Source: Alaska Department of Labor, Research and Analysis Section.

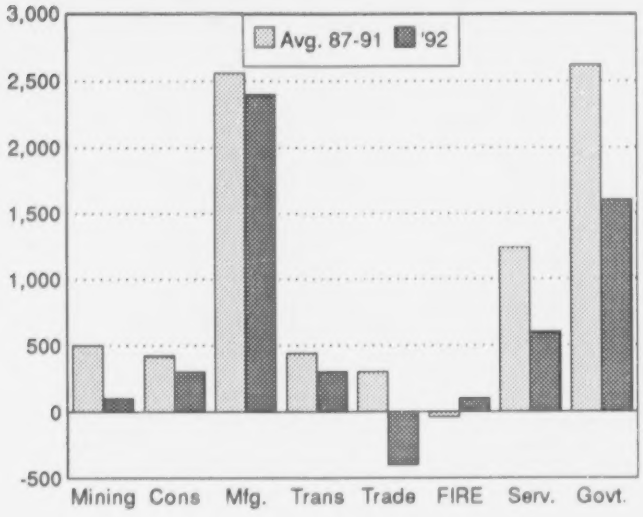
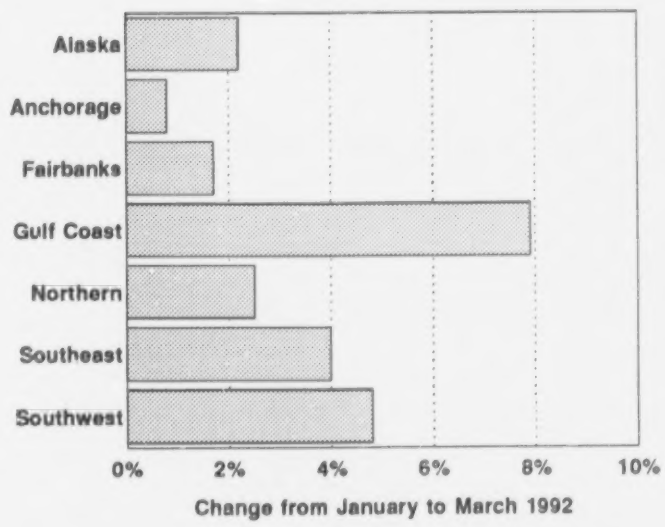


Figure • 3

Gulf Coast Leads Seasonal Growth

Source: Alaska Department of Labor, Research and Analysis Section.



opilio crab harvest drive the employment expansion in these regions. Some additional seafood processing employment is evident in Southeastern Alaska; but it's inconsequential compared to what's happening farther north.

Fish processing isn't the only part of the manufacturing sector contributing to the job base. Southeast Alaska's wood products industry started coming to life when the logging industry added about 300 jobs in March. Other potential good news on the processing side of the timber industry was received when Chugach Alaska announced the sale of their Seward sawmill to Idaho Timber Corporation of Boise. The firm announced that it would attempt to reopen the facility as early as May- which could put around 80 people back to work in the mill as well as provide some additional logging jobs.

The star performer of 1991, the transportation industry, posted job growth during the first two months of the year; but at a slightly slower than average pace. The slowdown in job growth can be attributed to two portions of the transportation industry. The trucking and warehousing sector, which includes United Parcel Service, has not grown as fast in early '92 as it has in recent years. Smaller air carriers are also behind their normal growth rates.

Table • 3

Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/ 3/92	r/ 2/92	3/91	p/ 3/92	r/ 2/92	3/91	p/ 3/92	r/ 2/92	3/91
Mining	$1,201.36	$1,196.58	$1,170.75	51.1	51.8	48.7	$23.51	$23.10	$24.04
Construction	958.17	994.47	990.78	41.0	42.3	42.0	23.37	23.51	23.59
Manufacturing	517.55	545.28	524.81	51.6	56.8	46.9	10.03	9.60	11.19
Seafood Processing	449.02	506.48	440.26	57.2	65.1	52.6	7.85	7.78	8.37
Trans., Comm. & Utilities	596.34	621.30	574.00	32.2	34.1	32.8	18.52	18.22	17.50
Trade	369.52	358.71	358.21	33.2	33.0	32.3	11.13	10.87	11.09
Wholesale	588.00	604.96	593.88	39.2	39.8	40.4	15.00	15.20	14.70
Retail	325.44	310.34	310.99	32.0	31.7	30.7	10.17	9.79	10.13
Finance-Ins. & R.E.	428.62	410.43	403.02	35.6	35.2	34.3	12.04	11.66	11.75

Notes:
p/ denotes preliminary estimates
r/ denotes revised estimates
Benchmark: March 1991

Averages are based on data for full- and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Source: Alaska Department of Labor, Research & Analysis Section.

Regional job growth reflects seasonal industry patterns

Not surprisingly, the fastest growing regions since January have been those with the highest concentrations of manufacturing employment. Gulf Coast has added jobs at the fastest rate followed by Southwestern Alaska, Southeast Alaska and Northern. Fairbanks and Anchorage are bringing up the rear when it comes to job growth since the first of the year. (See Figure 3.)

This is not an unusual pattern when it comes to seasonal job growth in the state. Larger urban areas tend to have a higher percentage of year round employment available than rural Alaska. This is reflected in the percentage change in the job count in urban communities from the high to the low season. In 1991 Anchorage wage and salary employment fluctuated about 10% between its lowest point of the year and its highest point. In the Gulf Coast region employment fluctuated 40% between its low and high point. In Southwest Alaska employment fluctuated 35%.

Summary: normal seasonal patterns, less growth

March employment and unemployment statistics exhibited normal seasonal patterns. Unemployment decreased from 11.0% to 10.1% while seasonal employment started to gear up in Alaska's rural locations. The seafood processing industry and the timber industry were responsible for most of the job gains in rural Alaska during the month. Urban Alaska is expected to join the seasonal employment surge in the next few months as the tourism and construction industries get into high gear for the summer.

The employment and unemployment statistics in March also showed that Alaska's economy has slowed from the growth pace that it has been on since the early part of 1989. Less employment growth—particularly in trade, mining and services accompanied by higher unemployment rates point to a slower Alaskan economy. The seasonal surge is just around the corner though and Alaskans can look forward to more plentiful employment opportunities during the next several months.

Table • 4

Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate %			Employment		
	p/ 3/92	r/ 2/92	3/91	p/ 3/92	r/ 2/92	3/91	p/ 3/92	r/ 2/92	3/91	p/ 3/92	r/ 2/92	3/91
Alaska Statewide	253,938	252,861	254,111	25,523	27,913	22,782	10.1	11.0	9.0	228,415	224,948	231,329
Anch.-MatSu Region	131,499	131,217	132,745	11,605	12,167	10,085	8.8	9.3	7.6	119,894	119,050	122,660
Munic. of Anchorage	114,738	114,259	116,027	8,834	9,167	7,824	7.7	8.0	6.7	105,904	105,092	108,203
MatSu Borough	16,761	16,958	16,718	2,771	3,000	2,261	16.5	17.7	13.5	13,990	13,958	14,457
Gulf Coast Region	29,687	29,598	29,503	4,064	4,721	3,546	13.7	16.0	12.0	25,623	24,877	25,957
Kenai Peninsula Borough	18,822	18,917	18,534	3,122	3,674	2,630	16.6	19.4	14.2	15,700	15,243	15,904
Kodiak Island Borough	6,311	6,160	6,338	329	352	278	5.2	5.7	4.4	5,982	5,808	6,060
Valdez-Cordova	4,554	4,521	4,631	613	695	638	13.5	15.4	13.8	3,941	3,826	3,993
Interior Region	35,802	35,722	34,833	4,418	4,911	4,258	12.3	13.7	12.2	31,384	30,811	30,575
Fairbanks North Star Bor.	30,865	30,740	30,011	3,653	4,024	3,500	11.8	13.1	11.7	27,212	26,716	26,511
Southeast Fairbanks	2,090	2,129	2,009	351	422	315	16.8	19.8	15.7	1,739	1,707	1,694
Yukon-Koyukuk	2,847	2,853	2,813	414	465	443	14.5	16.3	15.7	2,433	2,388	2,370
Northern Region	8,313	8,294	8,440	864	959	750	10.4	11.6	8.9	7,449	7,335	7,690
Nome	3,134	3,123	3,125	410	440	312	13.1	14.1	10.0	2,724	2,683	2,813
North Slope Borough	2,921	2,907	3,049	103	133	140	3.5	4.6	4.6	2,818	2,774	2,909
Northwest Arctic Borough	2,258	2,264	2,266	351	386	298	15.5	17.0	13.2	1,907	1,878	1,968
Southeast Region	34,166	33,609	34,593	3,594	4,150	3,305	10.5	12.3	9.6	30,572	29,459	31,288
Haines Borough	910	875	836	183	175	92	20.1	20.0	11.0	727	700	744
Juneau Borough	14,852	14,463	15,128	1,027	1,140	979	6.9	7.9	6.5	13,825	13,323	14,149
Ketchikan Gateway Bor.	6,459	6,459	6,520	794	1,000	722	12.3	15.5	11.1	5,665	5,459	5,798
Pr. of Wales-Outer Ketch.	2,689	2,670	2,674	434	497	367	16.1	18.6	13.7	2,255	2,173	2,307
Sitka Borough	3,928	3,856	3,972	327	386	286	8.3	10.0	7.2	3,601	3,470	3,686
Skagway-Yakutat-Angoon	1,759	1,757	1,841	351	401	400	20.0	22.8	21.7	1,408	1,356	1,441
Wrangell-Petersburg	3,569	3,529	3,622	478	551	459	13.4	15.6	12.7	3,091	2,978	3,163
Southwest Region	14,471	14,421	13,997	978	1,005	838	6.8	7.0	6.0	13,493	13,416	13,159
Aleutians East Borough	1,016	1,014	980	28	32	17	2.8	3.2	1.7	988	982	963
Aleutians West	2,809	2,799	2,752	42	48	53	1.5	1.7	1.9	2,767	2,751	2,699
Bethel	5,571	5,535	5,373	457	450	385	8.2	8.1	7.2	5,114	5,085	4,988
Bristol Bay Borough	576	570	554	54	51	45	9.4	8.9	8.1	522	519	509
Dillingham	2,649	2,662	2,528	206	233	145	7.8	8.8	5.7	2,443	2,429	2,383
Wade Hampton	1,850	1,841	1,810	191	191	193	10.3	10.4	10.7	1,659	1,650	1,617

Notes: p/ denotes preliminary estimates r/ denotes revised estimates Benchmark: March 1991

- *Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey in formulas used to allocate federal funds.*
- *Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.*
- *The official definition of unemployment currently in place excludes anyone who has made no attempt to find work in the four-week period up to and including the week that includes the 12th of each month. Most Alaska economists believe that Alaska's rural localities have proportionately more of these discouraged workers.*
- *he employment numbers that appear above are definitionally different from those that appear in the Nonagricultural Wage & Salary Employment tables.*

Source: Alaska Department of Labor, Research & Analysis Section.

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Fairbanks: Phone 451-2871

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Nome: Phone 443-2626/2460

Tok: Phone 883-5629

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Kenai: Phone 283-4304/4377/4319

Homer: Phone 235-7791

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Ketchikan: Phone 225-3181/82/83

Alaska Economic Regions

The mission of the Employment Security Division is to promote employment and economic stability by responding to the needs of employers and job seekers.

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